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FISCAL IMPACT STATEMENT

LS 7478

BILL NUMBER: SB 609

NOTE PREPARED: Feb 4, 2013

BILL AMENDED: Feb 4, 2013

SUBJECT: Horse Racing.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *IHRC's Reporting Requirement:* The bill requires the Indiana Horse Racing Commission (IHRC) to report on the competitive status of the Indiana horse racing industry as compared to the horse racing industries of other states.

Wagering Regulations: It prohibits members of the IHRC, employees of the IHRC, and racing officials from wagering on horse racing at racetracks and satellite facilities located in Indiana.

Changes to Disciplinary Guidelines and Actions: The bill requires the IHRC to post information concerning complaints and disciplinary actions on the IHRC Internet web site. It specifies the following concerning disciplinary action initiated by stewards and judges: (1) that unless appealed within 15 days, a suspension or civil penalty must be imposed within 180 days of the sanctioned violation; (2) that judges and stewards must prove the violation by the preponderance of the evidence; and (3) that the IHRC must conduct a hearing on an appeal within the time provided in the administrative adjudication law.

Independent Study: The bill requires the IHRC to commission an independent study of the economic impact of horse racing in Indiana.

Technical Correction: The bill removes issuing a license as an option for the IHRC under the penalty and enforcement sections of the pari-mutuel wagering tax laws.

Effective Date: July 1, 2013; January 1, 2014.

Explanation of State Expenditures: (Revised) *IHRC's Reporting Requirement:* The IHRC currently produces an annual report at the end of every Calendar Year. In addition, the bill requires the IHRC to produce an annual report on the competitive status of the Indiana horse racing industry compared to other states. The report would likely require IHRC staff to conduct additional data collection and research on the horse racing industry. The IHRC's current level of resources should be sufficient to implement these reporting requirements.

Independent Study: The bill requires the IHRC to employ the services of an independent contractor to perform a study concerning the economic impact of horse racing in Indiana. Such a study could cost \$50,000 to \$100,000.

Other provisions in the bill making changes to disciplinary guidelines and actions could lead to a minimal cost. The IHRC's current level of resources should be sufficient to implement these changes.

Explanation of State Revenues: *Penalty Changes:* The bill allows racing stewards and racing judges to impose a penalty up to \$5,000. Currently they are limited to imposing penalty up to \$1,000. This could have an impact on revenues if there are additional penalties imposed by these officers. Under current law the IHRC can impose additional penalty in addition to the racing stewards and racing judges up to a total of \$6,000 for offenses related to these provisions. This bill would increase those amounts to a total of \$10,000. The civil penalty revenue collected by IHRC is deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IHRC

Local Agencies Affected:

Information Sources: Indiana Administrative Code, IHRC.

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